

02 February 2005



Iraq Weekly Status Report

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Highlights

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1.0 Neutralize the Insurgents

- Iraq and Coalition forces continue operations to neutralize the insurgents.

2.0 Ensure Legitimate Elections

- Braving threats and violence, Iraqis turned out in large numbers on January 30 to elect the Transitional National Assembly.
- The Independent Electoral Commission of Iraq (IECI) has begun to tally votes. Results are expected by February 15.
- Some technical flaws were reported but observers have deemed the process in compliance with international standards. The IECI is moving to process complaints through its dispute resolution mechanism.



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3.0 Create Jobs and Provide Essential Services

- Fuel and electric power supplies are low, especially in Baghdad, due to continued disruption of the fuel distribution system. Crude production remains below target.

4.0 Establish Foundations for a Strong Economy

- Work continues on activities that promote restructuring under USAID's Private Sector Development Initiative (PSD II). PSD II advisors are collaborating with Iraqi government officials and private sector representatives on a range of activities to help build a flourishing private sector and generate employment.

5.0 Establish Good Governance, Rule of Law

- USAID's Local Governance Program Policy Reform Team (PRT) is working with local government officials to promote decentralization and provide technical assistance for policy reform implementation.

6.0 Maintain International Engagement and Support

- International reaction to Iraq's election was extremely positive and the UN and EU have pledged continued support for Iraq's electoral process.



[1.0] Neutralize the Insurgents – Iraqi Security Forces Update

DEPARTMENT
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COMPONENT	TRAINED & EQUIPPED
Police	57,290
Highway Patrol	
Other MOI Forces	21,826
TOTAL	79,116*

COMPONENT	TRAINED & EQUIPPED
Army	56,284
Navy	139
Air Force	526
TOTAL	56,949**

Total Trained & Equipped: 136,065

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers



[2.0] Ensure Legitimate Elections – **Developments**

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Election Outcomes:

- IECI has begun to tabulate votes. Results are to be announced by February 15.
- Out of Country voting turnout was 93.6 percent; 265,168 of the 280,303 Iraqis living abroad who registered to vote actually voted. In the US, 24,335 Iraqis voted.
- Significant numbers of the 55,000 domestic elections monitors mobilized on election day continue to observe the final tally and results as well as the complaints and adjudication process.
- Some scattered irregularities were reported and are being handled by the IECI through the dispute resolution mechanism as laid out in IECI Regulation 15.



[2.0] Ensure Legitimate Elections – **Developments**

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Elections Monitoring:

- The International Mission for Iraqi Elections (IMIE) issued a statement that the IECI “prepared and put in place a framework for an election that generally meets recognized standards in terms of election law, planning and preparations.”
- IMIE Chairperson Jean Pierre Kingsly commented on the resolve of millions of Iraqis to vote and volunteer despite significant risks.
- IMIE will remain in place to prepare to monitor the two Iraqi elections in 2005.
- The Iraqi Elections Information Network (EIN), comprised of thousands of Iraqi monitors, congratulated Iraqis on tremendous turnout and noted minor flaws -- but indicated they were not systemic and the election was conducted according to international standards.
- Domestic monitors were present at polling stations in all 18 governorates. 80 percent of all polling stations had domestic monitors.



[2.0] Ensure Legitimate Elections – **Developments**

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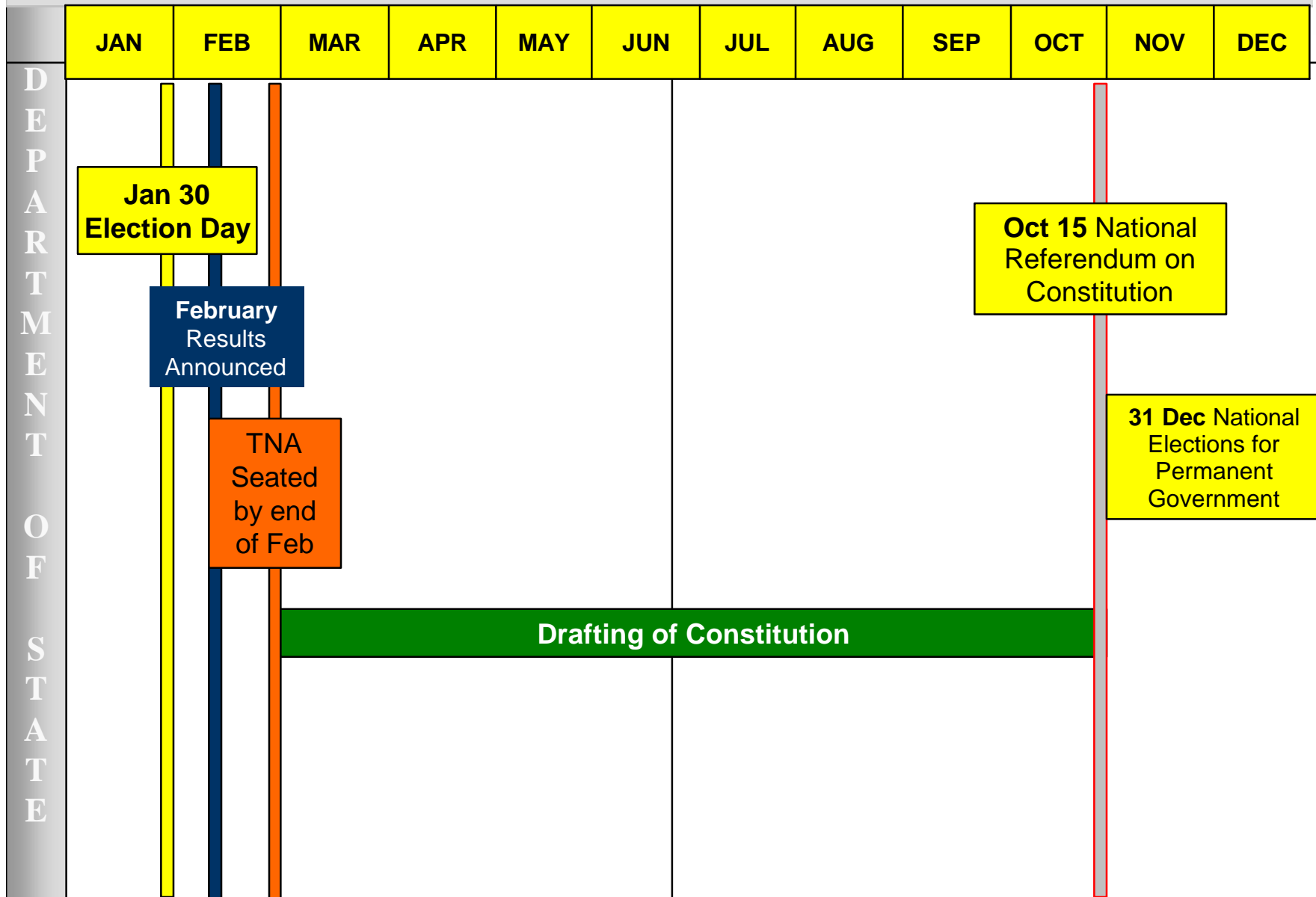
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Transitional National Assembly (TNA):

- Once announced, the TNA will:
 - Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
 - Name a Presidency Council, consisting of a president and two deputy presidents, that will appoint a prime minister. The Prime Minister and his Council of Ministers must receive a vote of confidence in the Assembly by a simple majority.
 - According to the Transitional Administrative Law, the TNA will draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
 - If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of the year.



[2.0] Ensure Legitimate Elections – Electoral Process Timeline





[3.0] Create Jobs and Provide Essential Services – Economy

Oil Update:

- Crude oil prices in world markets for the week ending January 28 closed with Kirkuk Crude at \$38.79/barrel, Basra Light at \$36.76/barrel, and the OPEC basket at \$42.63/barrel.

Employment Update:

- Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis Last Week	Iraqi This Week	% Increase on Week
PCO (Project and Contracting Office)	19,651	19,494	-0.8%
USAID	52,068	48,181	-7.5%
AIRP (Accelerated Iraqi Reconstruction Program)	6,875	6,850	-0.4%
MILCON (Military Construction)	678	437	-35.5%
*CERP (Commanders' Emergency Response Program)	9,697	33,671	247.2%
MNSTC-I (Multi-National Security Transition Command-Iraq)	7,271	3,799	-47.8%
IRRF NON-CONSTRUCTION	14,250	13,450	-5.6%
GRAND TOTAL	110,490	125,882	13.9%

Data as of 2 February 2005



[3.0] Create Jobs and Provide Essential Services – **Job Creation, Food Security, and Health Care**

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Fuel and Power Supplies:

- Fuel and electric power supplies remain low in Baghdad, due to disruption of the distribution system. Power generation in Baghdad improved over previous week to sustain ten hours of power per day. Crude oil production is at about 2.1 million barrels per day.

Public Distribution System (PDS):

- The Ministry of Trade will meet 59 percent of its January requirements for rice, down from 65 percent previously projected. For February, Iraq is projected to receive 81 percent of the monthly rice requirement.

Health Care:

- Although still in the beginning stages, the Basrah Children's Hospital is scheduled to be completed in March 2006.
 - The new children's hospital will emphasize providing inpatient and outpatient pediatric care. It will also serve as a model pediatric facility and is designed to accommodate the Ministry of Health's (MOH) plans for future expansion.



[3.0] Create Jobs and Provide Essential Services – **Water and Sanitation**

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Water and Sanitation:

- USAID Local Governance Program specialists recently completed installation of computers for the Baghdad governorate Water and Sewage offices and are currently configuring the systems. Basic training is ongoing for staff members.
- Work has begun to expand and refurbish a water treatment plant in Karbala with expected completion in September 2005.
 - In addition to providing clean water to Karbala residents, the plant supplies potable water to an estimated three million religious pilgrims to the Al-Hussein Shrine in Karbala each year.



[3.0] Create Jobs and Provide Essential Services – **Transportation and Telecommunications**

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Transportation:

- Work to refurbish the Air Traffic Control Center and Tower at Baghdad International Airport (BIAP) is 96 percent complete and should be finished in February 2005.
 - USAID has already repaired the airport terminal and administration offices, installed communication systems, rehabilitated customs offices, and repaired passenger support facilities.

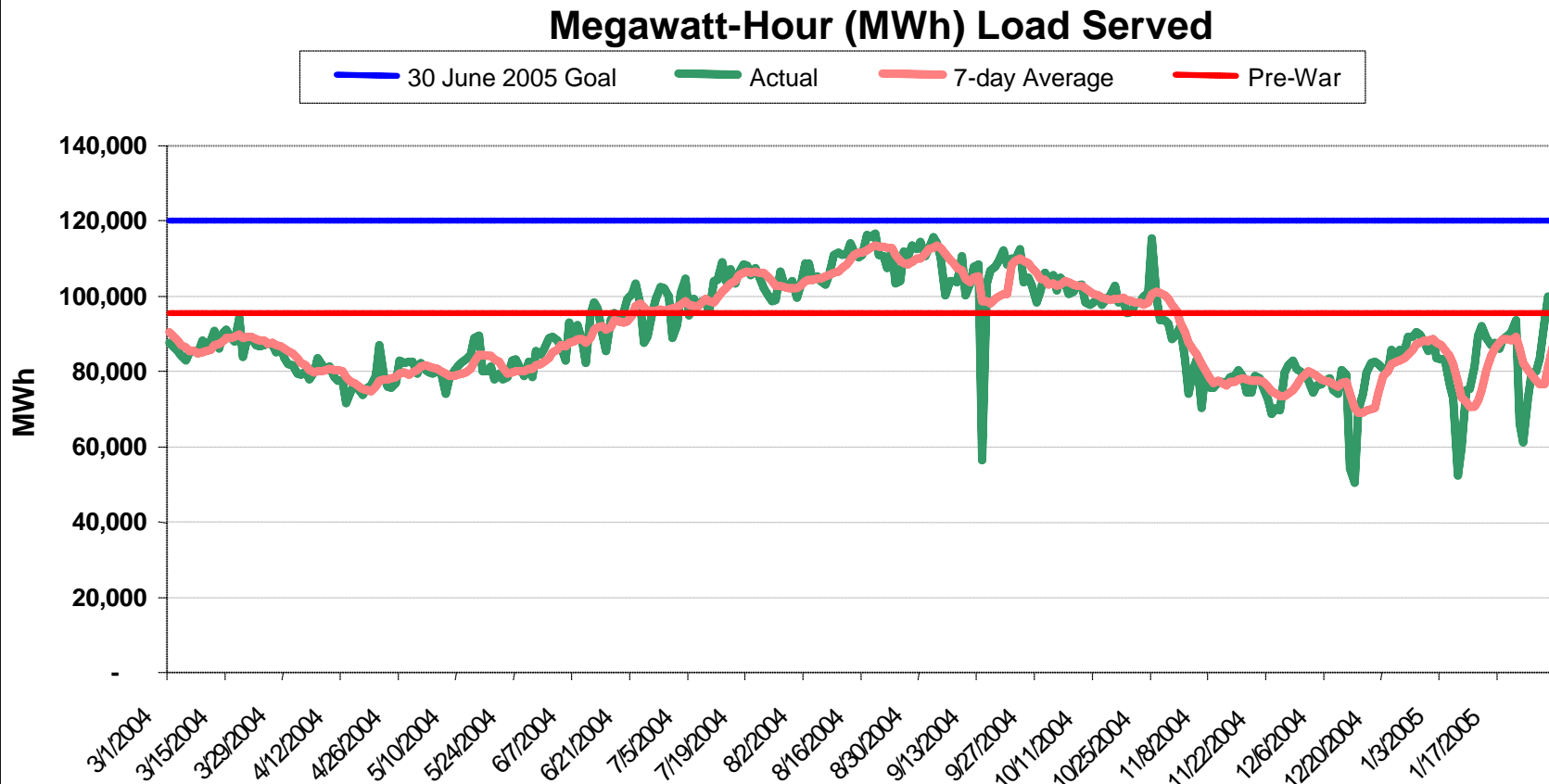
Telecommunications:

- The Advanced First Responders Network National Coordination Center (AFRN-NCC) and base transceiver stations (BTS) are installed and ready for activation.
 - The AFRN will provide police, firefighters, and other emergency services with interoperable links to communicate with each other and with Coalition forces. Work is underway to integrate BTSs into the network.



[3.0] Create Jobs and Provide Essential Services – Electricity Overview

DEPARTMENT OF STATE



- Electricity generation climbed back above pre-war levels (~95,600 MWh) with several daily highs at nearly 100,000 MWh. The Northern governorates received 18+ hours of power per day, while the rest of the country (including Baghdad) received 10-12 hours.
- Unplanned and planned generation outages at the end of the week (January 31) were 866 MW and 764 MW, respectively.



[4.0] Establish Foundations for a Strong Economy

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Investment Promotion:

- Work continues on activities that promote restructuring under USAID's Private Sector Development Initiative (PSD II). PSD II advisors are working with Iraqi government officials and private sector representatives on a range of activities to help build a flourishing private sector and generate employment.
- Restructuring state-owned enterprises is a core component of this initiative, as a liberalized economy would encourage competition, investment, and overall economic growth.

Agricultural Project:

- In full cooperation with and support of the Ministry of Agriculture, technical specialists from USAID's Agriculture Reconstruction and Development Program for Iraq (ARDI) are working with the sole distributor of Case New Holland agricultural machinery.
 - This partnership will survey the quantity and repair needs of inoperable tractors and combines throughout the country to establish a baseline for a national agricultural machinery rehabilitation program.
 - Following the survey, ARDI will provide support for repairs within the limitations of the program. ARDI is also planning to bring in Massey Ferguson and John Deere to assist farmers in the rehabilitations of these brands as the program moves forward.



[4.0] Establish Foundations for a Strong Economy

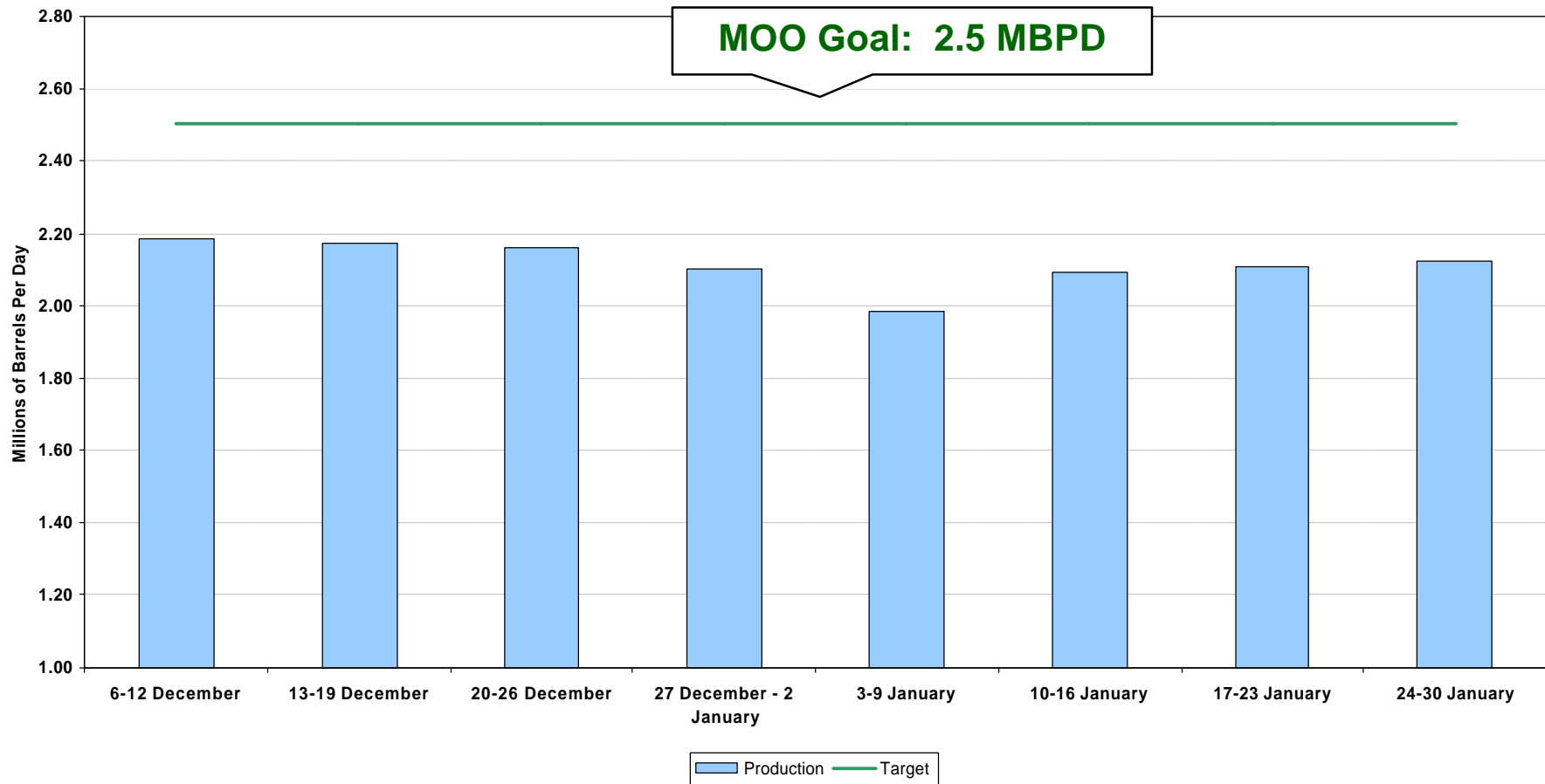
Iraq Currency and Securities Exchanges:

- At the New Iraqi Dinar (NID) auction on January 19, the settlement price was 1,460 dinars per USD with a total of 11 banks trading. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of dollars)	Percentage of Total Auction
United Bank	3,500	27.83%
Al-Basra Bank	2,000	15.90%
Islamic Bank	1,400	11.13%
Middle East Bank	1,235	9.82%
Iraq Bank	1,160	9.22%
Total	9,295	73.92%

- The Ministry of Finance (MOF) auctioned ID 100 billion (about \$68.5 million) in T-Bills on January 17; the settlement yield was 5.5 percent with 9 banks offering winning bids. The following shows the results of the previous 6 auctions:

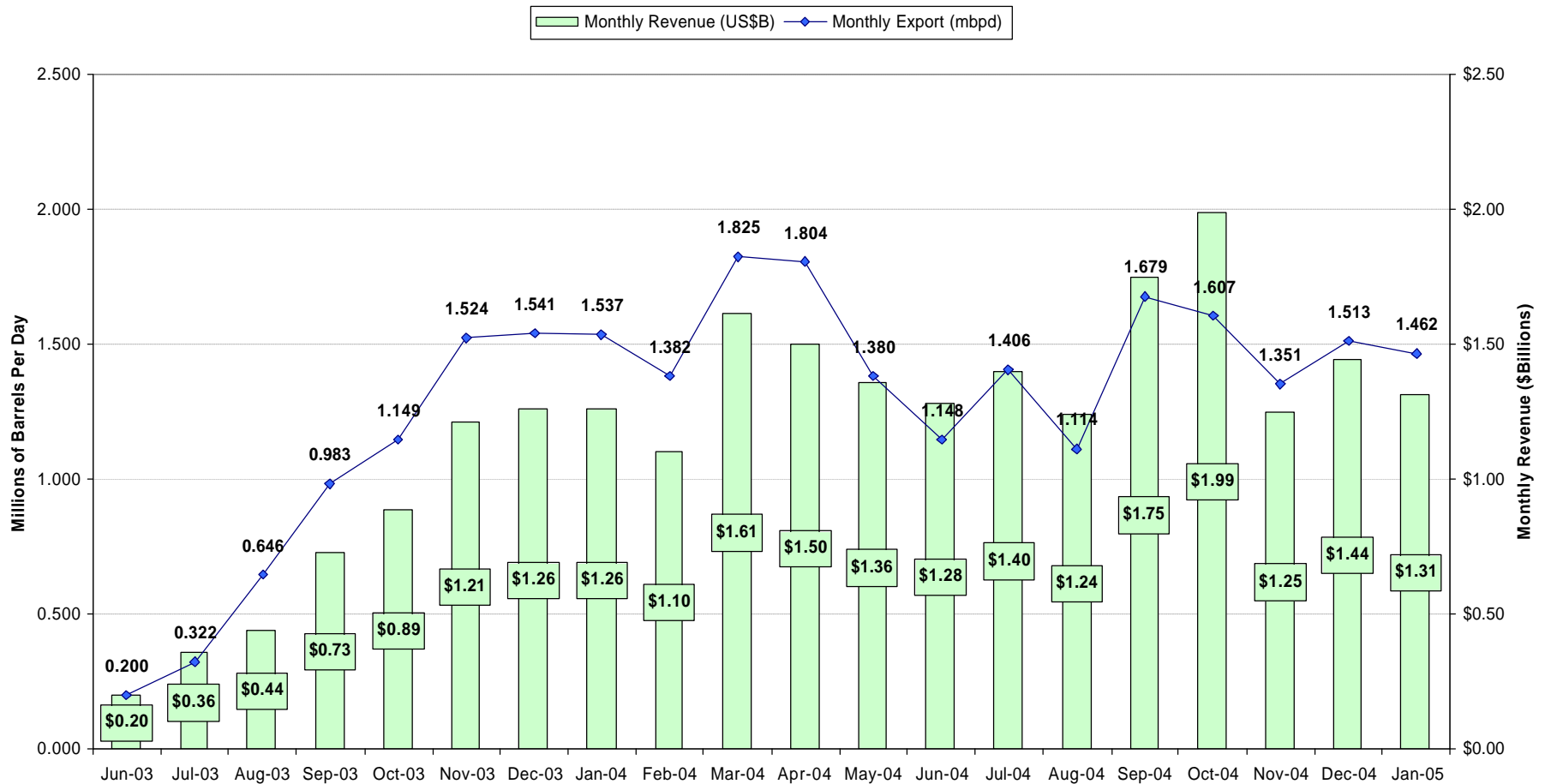
No. of Auction	Date of Auction	Amount of Issue	Term of Security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range yields	Cut off yield	Amount Sold
8	10/24/2004	150.030	91	1/24/2005	10	6	350.000	145.030	241.33	1.00% - 5.40%	2.50%	150.030
9	11/7/2004	150.010	91	2/7/2005	12	7	437.100	145.510	300.39	1.00% - 3.30%	1.10%	150.010
10	11/21/2004	150.010	91	2/20/2005	6	6	281.250	147.010	191.31	1.00% - 5.00%	1.20%	150.010
11	12/5/2004	124.550	91	3/7/2005	4	4	122.800	122.800	100.00	2.50% - 6.00%	6.00%	124.550
12	12/19/2004	200.030	91	3/21/2005	12	12	282.300	196.730	196.730	2.50%-10.00%	6.00%	200.030
13	1/2/2005	???	???	??	??	??	??	??	??	??	??	??
14	1/16/2005	100.030	91	4/18/2005	11	9	127.000	97.530	130.22	3.00% - 6.80%	5.50%	100.030

[4.0] Establish Foundations for a Strong Economy – Crude Oil Production

- Weekly Average (24 - 30 Jan) of 2.12 MBPD
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-War Peak: 2.67 MBPD



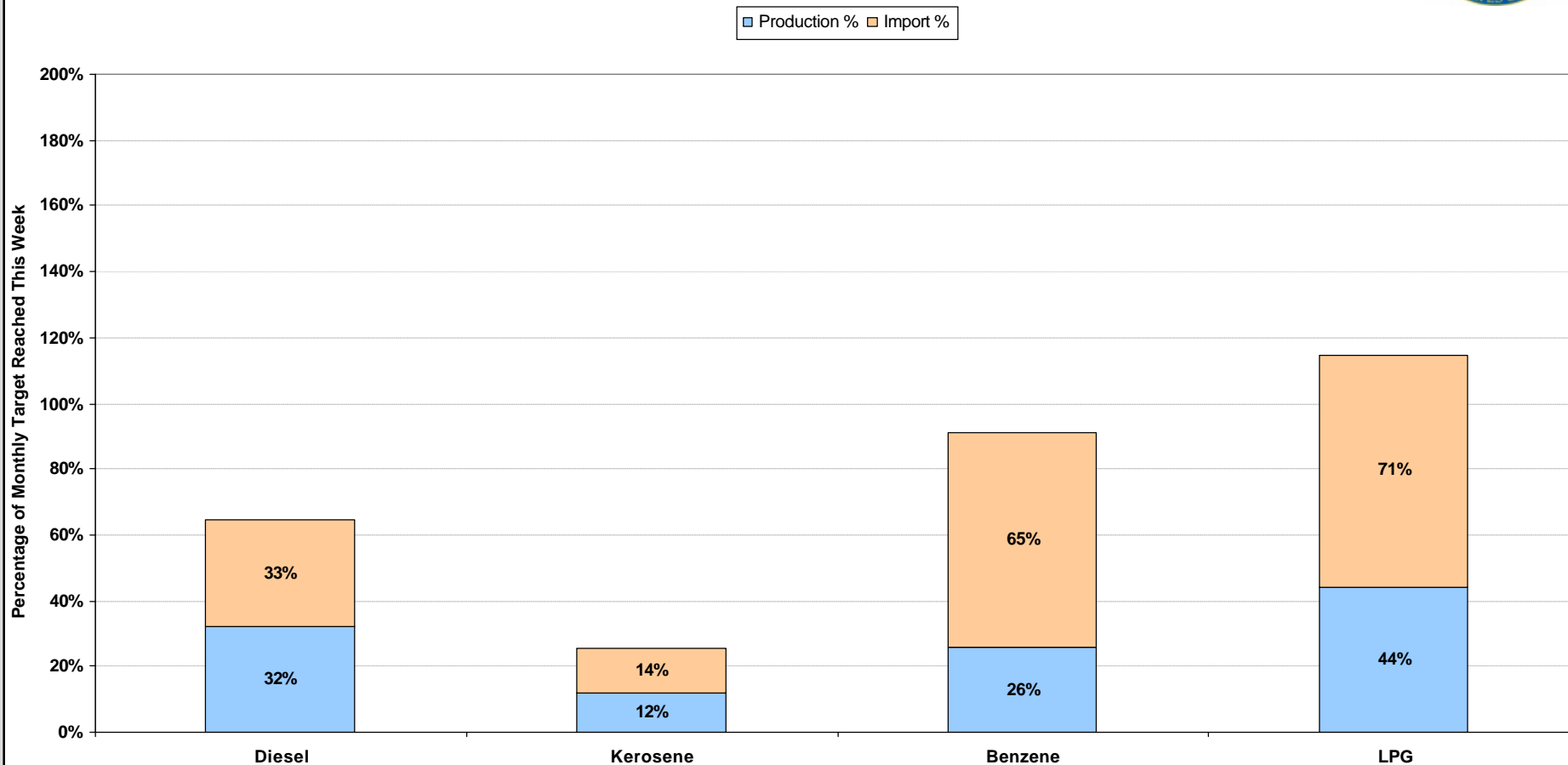
[4.0] Establish Foundations for a Strong Economy – Crude Oil Export



- 2003 Revenue: \$5,076.6M
- 2004 Revenue: \$17,012.3M
- 2005 Revenue: \$1,312.1M



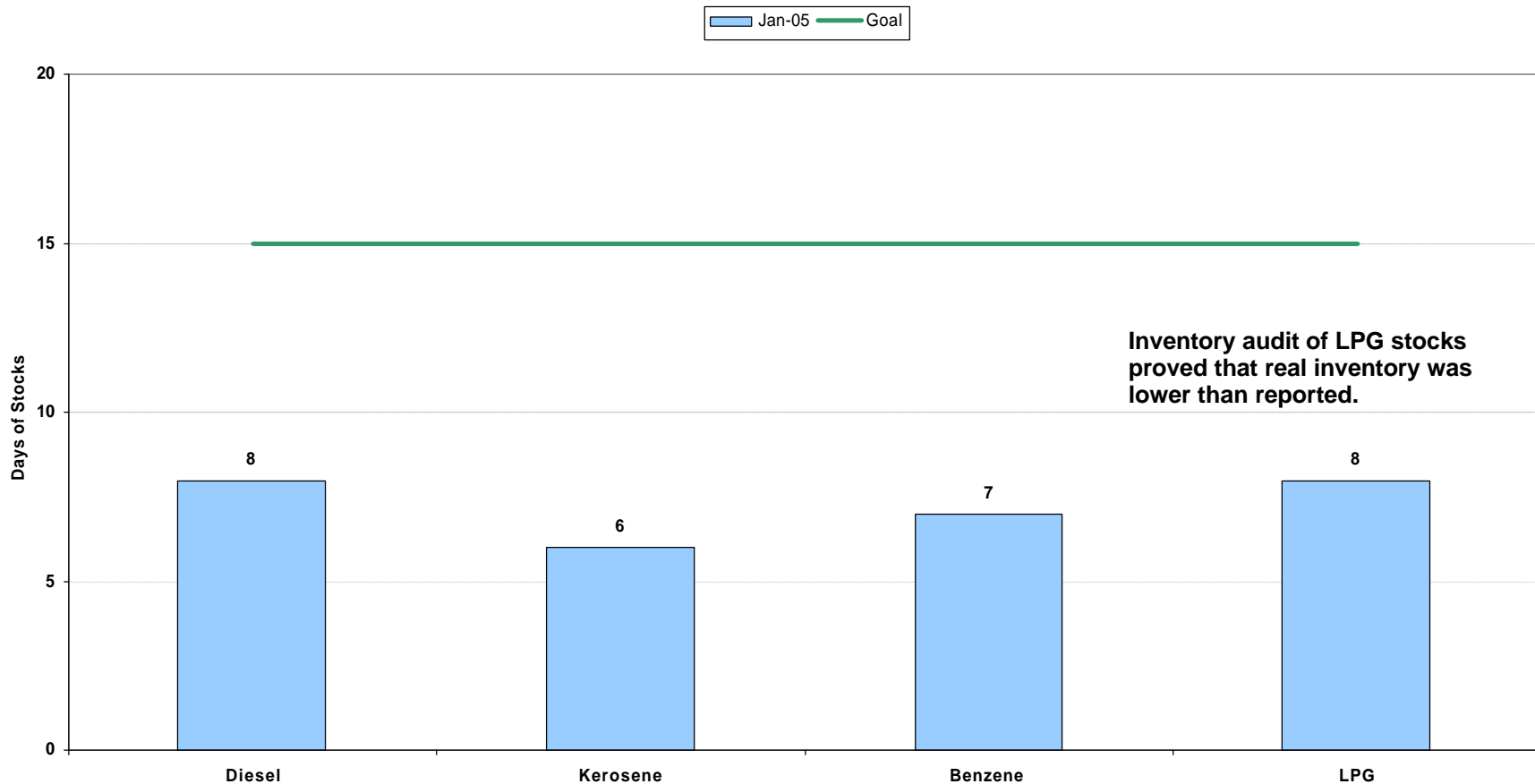
[4.0] Establish Foundations for a Strong Economy – Refined Products



Note: This chart represents the average percentage of daily target reached for the week of January 24 - 30

- Diesel: 11.3 ML of 17.5 ML
- Kerosene: 5.0 ML of 19.5 ML
- Benzene: 16.4 ML of 18 ML
- LPG: 4,934 tons of 4,300 tons

[4.0] Establish Foundations for a Strong Economy – National Stock Levels



- The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundations for a Strong Economy – IRRF I & II

Financials

DEPARTMENT OF STATE

Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4522	4493	3350	3414	1390	1403
Electricity Sector	4369	3772	3288	3328	2663	2688	656	715
Oil Infrastructure	1701	1701	1355	1434	920	942	132	137
Justice, Public Safety, and Civil Society	1120	1120	926	946	602	672	141	145
-Democracy	832	832	696	751	606	660	197	207
Education, Refugees, Human Rights, Governance	379	379	224	227	207	205	47	48
Roads, Bridges, and Construction	359	355	280	283	181	184	36	37
Health Care	786	786	740	750	501	511	31	34
Transportation and Communications	513	513	457	462	318	323	31	33
Water Resources and Sanitation	2279	1341	1275	1304	877	891	37	47
Private Sector Development	843	843	402	402	357	357	70	74
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16716	14192	14409	10610	10876	2797	2909
CONSTRUCTION	11306	9542	8542	8626	6330	8645	1400	1485
NON-CONSTRUCTION	6301	6228	4954	5032	3673	1571	1200	1216
DEMOCRACY	832	832	696	751	606	660	197	207
IRRF I SUBTOTAL	2475	2475	2475	2475	2475	2475	1907	1907
GRAND TOTAL IRRF I & II	20914	19077	16667	16884	13085	13351	4704	4816

No data received from OPIC or USIP this week
Changes driven by actions on obligations



[5.0] Establish Good Governance, Rule of Law – Refugees, Democracy and Human Rights

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Internally Displaced Persons (IDPs):

- In one region of At' Tamim governorate, a USAID partner NGO has doubled the number of families that are receiving Livelihood Assets Packages from 50 to 100 per day. To date, USAID and the Office of Foreign Disaster Assistance (OFDA) have distributed packages to more than 1,000 families in this area. The total value of the materials that was distributed through the end of January was \$450,000.
- In Diyala governorate local partner NGOs have distributed more than 600 packages, and several hundred more will be distributed in coming weeks.
- Fuel supplies are currently one of the biggest problems in Iraq, and many IDP families are weathering a cold winter in military camps and tents. The distribution of kerosene is helping reduce the tension between IDP families. In Diyala governorate USAID/OFDA has distributed 1,750 barrels of kerosene; several hundred more will be distributed in the coming weeks.

The Development of Local Government Associations:

- USAID's Local Governance Program Policy Reform Team (PRT) is working with local government officials to promote decentralization and provide technical assistance for policy reform implementation.



[5.0] Establish Good Governance, Rule of Law – Justice

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Rule of Law Updates:

- Feb. 1: INL briefed Ambassador Negroponte on Rule of Law Coordination and strategy. The Ambassador views the Justice Integration Project and the Iraqi Rule of Law Advisory Committee as priority activities, and will review the plan with respect to future budgets and priorities.
- MNF-I has requested advice from INL on how to proceed with Rule of Law activities.



[6.0] Maintain Int'l Engagement & Support – **Developments**

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- The European Commission proposed an additional package of 200 million EURO towards Iraq's reconstruction including €130 million for jobs and essential services, €15 million for energy and trade, €10 million for the political process, and € 45 million for a reserve fund.
- UN Secretary General Kofi Annan stated that "the success of the election augurs well for the transition process."
- The UN Security Council President issued a statement congratulating Iraqi people on a "positive step in the political development of Iraq" and commending "the bravery of the millions of Iraqis who, facing adverse conditions, exercised their right to vote."
- UN Special Representative of the Secretary General for Iraq Ashraf Qazi emphasized "the need for encouraging a broad based dialogue among all Iraqi political forces" and emphasized the UN's continued commitment to Iraq.



[6.0] Maintain Int'l Engagement & Support – **Stability Contributors**

28 Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Latvia	Poland
Armenia	Estonia	Lithuania	Portugal
Australia	Georgia	Macedonia	Romania
Azerbaijan	Italy	Moldova	Slovakia
Bulgaria	Japan	Mongolia	Thailand
Czech Rep	Kazakhstan	Netherlands	Ukraine
Denmark	Korea	Norway	UK

TOTAL ~ 25,300 Forces

*Note: Fiji participating as a part of the UN mission in Iraq

29 Countries and NATO (including US) **Support Iraqi Stability Operations**



Iraq Weekly Status – General Information

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- This brief draws from multiple sources. References are cited on the respective pages in the “Notes Page” section (View → Notes Page).
- Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov